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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Cayman Islands

Working paper prepared by the Secretariat

Contents

I. General ... 3
II. Constitutional, legal and political issues ... 3
III. Budget ... 5
IV. Economic conditions ... 6
A. General ... 6
B. Agriculture, fisheries and the environment ... 6
C. Tourism ... 7
D. Financial services ... 8
E. Infrastructure, construction and transport ... 9
F. Telecommunications and utilities ... 9
V. Social conditions ... 9
A. Human rights ... 9
B. Labour and immigration ... 11
C. Education and cultural affairs ... 12
D. Public health ... 13
E. Crime and public safety ... 14
F. Disaster preparedness ... 14

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VI. Relations with international organizations and partners
VII. Future status of the Territory
A. Position of the territorial Government
B. Position of the administering Power
C. Action taken by the General Assembly

I. General

1. The Cayman Islands is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The Territory is located some 180 miles west of Jamaica and about the same distance south of Cuba. It comprises three islands: Grand Cayman (76 square miles), Cayman Brac (15 square miles) and the adjacent and largely undeveloped Little Cayman (11 square miles). The capital, George Town, is located on Grand Cayman.

2. According to the Economics and Statistics Office of the Cayman Islands, the population of the Territory increased from 54,986 in 2007 to 57,009 in 2008, with an estimated annual growth rate of 3.7 per cent.[1] The population is about 56 per cent Caymanian and 44 per cent non-Caymanian.

3. The Cabinet of the Cayman Islands approved the planning, preparation and implementation of a population and housing census for the Cayman Islands on 26 March 2008. The next population and housing census in the Cayman Islands will be conducted in October 2010.

4. The British Overseas Territories Act, which came into force in 2002, grants the right to full British citizenship to all inhabitants of the Territories.

II. Constitutional, legal and political issues

5. The official name of the current constitution of the Cayman Islands is the "Caribbean and North Atlantic Territories, The Cayman Islands Constitution Order 2009", which recently replaced the "Caribbean and North Atlantic Territories, The Cayman Islands (Constitution) Order 1972". The new Constitution entered into force on 6 November 2009. This new Constitution embodies the enhanced relationship between the Territory and the Government of the United Kingdom proposed in the 1999 White Paper entitled "Partnership for Progress and Prosperity: Britain and the Overseas Territories".

6. According to information received from the administering Power, the successful adoption of the new Constitution was achieved after a long and arduous modernization initiative instituted in 2007 by the then Leader of Government Business, Kurt Tibbetts, and the People's Progressive Movement (PPM) government. The initiative comprised a four-part programme: (a) research to identify viable areas of constitutional reform and the publication of a public discussion paper; (b) consultation and public education on constitutional issues raised in that paper; (c) negotiations between the Cayman Islands and the United Kingdom on the modernization of the Cayman Islands Constitution; and a national referendum on constitutional reform.

7. The question posed to the electorate on "Referendum Day" on 20 May 2009 was: "Do you approve the draft Constitution which was agreed by the Cayman Islands Constitution Delegation and the Government of the United Kingdom on 5 February

Note: The information contained in the present paper has been derived from published sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations.

[1] Information received from the administering Power, 29 December 2009.

2009 and tabled in the Legislative Assembly of the Cayman Islands on 11 February 2009?"

8. Of the 11,244 voters who cast referendum ballots, 62.66 per cent voted in favour of the draft Constitution.

9. The ongoing negotiations between the Governments of the Cayman Islands and the United Kingdom and the results of the referendum culminated in the new Constitution, which was approved by Queen Elizabeth II in Council on 10 June 2009 and came into force on 6 November 2009. The significant changes brought about by the Constitution include an enforceable Bill of Rights, Freedoms and Responsibilities, the establishment of the offices of Premier and Deputy Governor and an increase in the number of elected members from 15 to 18. In this regard, the Electoral Boundary Commission is mandated to review the boundaries of the electoral districts and submit a report to the Governor and the Legislative Assembly containing recommendations for changes in the boundaries.

10. The Constitution also provides for the establishment of a number of new entities, including a National Security Council vested with the authority to make recommendations to the Governor on matters relating to the internal security of the Islands. Provision is made for the appointment of a Judicial and Legal Services Commission to advise the Governor on appointments to and removal from office and on disciplinary action in relation to the holders of certain judicial and legal offices, including the Chief Justice, Grand Court judges and magistrates, the Attorney General and the Director of Public Prosecutions (which will assume responsibility for the conduct of all criminal prosecutions, a function previously exercised by the Attorney General).

11. Freedom of information is now enshrined in the Constitution and the independence and neutrality of the Complaints Commissioner is secured. Provision is also made for a Constitutional Commission, a Human Rights Commission and a Commission for Standards in Public Life. These institutions are intended to provide a system of checks and balances in the exercise of power by the executive and administrative arms of the Government.

12. Under the new Constitution, the Governor, who is appointed for four years by the British monarch, continues to be responsible for external affairs, defence, internal security and the civil service. The latest Governor, Stuart Jack, departed from the Cayman Islands on 2 December 2009. His successor, Duncan Taylor, was sworn in on 15 January 2010.

13. Justice in the Cayman Islands is administered at three levels — in the Summary Court (including the Youth Court), the Grand Court and the Court of Appeal. The Summary Court has civil and criminal jurisdiction. Appeals from the Summary Court lie to the Grand Court. The Grand Court is a superior court of record and administers the common law and the law of equity of England, as well as locally enacted laws and applied laws. Appeals from the Grand Court lie to the Cayman Islands Court of Appeal, composed of a president and not less than two judges of appeal. A judge of the Grand Court may exercise any of the powers of a single judge of the Court of Appeal. Further appeal lies, in certain circumstances, to the Judicial Committee of the Privy Council in London.

14. Until 2000, there were no formal political parties in the Territory and groupings known as the National Team, the Democratic Alliance and Team Cayman

acted as political organizations. Following the defeat of the National Team in the 2000 general elections, a majority of the Legislative Assembly members formed a political party, the United Democratic Party (UDP), on 5 November 2001. In 2002, the opposition formed a second party, the People's Progressive Movement (PPM) and in February 2005, the People's Democratic Alliance (PDA) was formed but is no longer active.

15. A general election was held on 20 May 2009. UDP won by a convincing margin over the incumbent PPM, winning 9 of the 15 seats in the Legislative Assembly. PPM won five seats and an independent candidate secured one seat. As a result, McKeeva Bush, leader of the UDP, replaced Kurt Tibbetts of PPM as the Leader of Government Business (now called the Premier). The next general election is due to be held in 2013.

16. On 9 December 2009, the eleventh meeting of the Overseas Territories Consultative Council was held in London. According to the administering Power, the overseas territory leaders requested that a forum should be held the day before the meeting to review the aforementioned 1999 White Paper entitled "Partnership for Progress and Prosperity: Britain and the Overseas Territories" which established the principles that have guided the relationship between the United Kingdom and the territories since 1999. The forum was the first stage of a consultation process on the future of that relationship. At the Consultative Council meeting, the United Kingdom and the Non-Self-Governing Territories represented, including the Cayman Islands, agreed, inter alia, to continue their discussions on the relationship between the United Kingdom and the overseas territories.

III. Budget

17. The principal sources of Government revenue are import duties, financial services, fees and stamp duties. According to the administering Power, in the 2008/09 financial year ended 30 June 2009 the fiscal performance of the Cayman Islands deteriorated primarily as the result of growth in Government expenditures caused by a number of extraordinary events, including Hurricane Paloma. In addition, revenues were negatively affected by the global economic crisis. During the 2008/09 financial year, total revenues fell by 7.7 per cent to CI$ 487.4 million, whereas total operating expenditure grew by 9.8 per cent to CI$ 568.5 million. This resulted in an overall operating deficit of CI$ 81.1 million.

18. In the 2009/10 budget documents, the Government is forecasting total operating revenues of CI$ 562.2 million with total operating expenses of CI$ 557.4 million, resulting in a forecast net operating surplus of CI$ 4.8 million at 30 June 2010. In terms of capital expenditures, the Government expects to spend some CI$ 156.9 million during the 2009/10 financial year. The capital expenditure programme includes investment in education, transport infrastructure, new Government offices and financial support in the form of capital investments in statutory authorities and Government-owned companies.

19. Under the Territory's public management reform process, a new Public Service Management Law and Regulations came into effect in 2007. The law constitutes the second stage of reform efforts, after the Public Management and Finance Law of 2001. All of the approximately 3,600 civil servants are affected by the reform

process, which has decentralized personnel management decisions and allows for performance-based assessments and incentives.

20. In its budget policy address of October 2009, the territorial Government expressed confidence that, in spite of the economic crisis, Cayman's financial services and tourism industries would help sustain a strong economy.

IV. Economic conditions

A. General

21. The Cayman Islands has one of the highest standards of living in the Caribbean. The economy is based on tourism and offshore financial services. For the year 2008, the per capita gross domestic product (GDP) was estimated at CI$ 48,294. Indicators for the first half of 2009 suggest that the Cayman Islands economy was on a declining path, with a GDP growth of -5.8 per cent compared to 2008.

22. Total imports for 2008 were CI$ 876.5 million, while total imports during the first half of 2009 were CI$ 368.8 million. Although imports outstrip exports by far, the trade gap is customarily offset by earnings from the tourism and financial services sectors. Exports in 2008 amounted to CI$ 13.8 million. The visible trade deficit was therefore CI$ 862.6 million, an increase from CI$ 837.9 million in 2007. Inflation for 2008 reached 4.1 per cent, owing mainly to the price of food, utilities, oil, petroleum products and manufactured goods.

23. The major trading partner of the Cayman Islands is the United States of America.

B. Agriculture, fisheries and the environment

24. According to information provided by the administering Power, the Department of Agriculture seeks to develop sustainable agricultural production in order to promote self-sufficiency and food security for the Cayman Islands and to preserve and protect the health of the Islands' plants and animals. Agriculture contributed 0.03 per cent to GDP in 2007 or CI$ 8.1 million. In 2009, the Department of Agriculture embarked on a series of interventions to help farmers build capacity and increase their productive capabilities. These included the importation of 97 cattle and 38 goats for genetic improvement purposes; ongoing participation in a programme to assist farmers in their efforts to improve and increase vegetable production through protected agricultural systems; and the launching of a comprehensive programme to increase production and yields of sweet potatoes in the Cayman Islands. Key aspects of the programme include the adoption of integrated pest management strategies, the acquisition of germplasm (planting material) and the establishment of a germplasm bank of both imported and local cultivars.

25. Conceptualized as an artisans' market, the Market at the Grounds was launched on 11 August 2007, with some 31 vendors. The number of vendors declined over the following weeks, stabilizing at about 20 for the remainder of 2007. There was an average of 13 core vendors per week in 2008 and 17 in 2009.

26. The Department of Environment has created a Sustainable Development Unit, which is working on identifying and assessing the closely associated vulnerabilities of global climate change, including a project aimed at developing a national climate change adaptation strategy. A marine conservation programme continues to make significant progress in identifying local and regional aspects of the important and threatened Caribbean species. The Department of Environment also completed a three-year Darwin project funded by the Department for Environment, Food and Rural Affairs of the United Kingdom, whose main outputs were detailed habitat maps of the marine and terrestrial environments of the three Cayman Islands and a national biodiversity action plan with bespoke action plans for vulnerable and threatened habitats and species, including the Nassau grouper and the Cayman parrot. Most of the recommended actions require the adoption of the draft National Conservation Law.

27. In 2009, the Department of Environment completed a national climate change issues paper in preparation for discussions on a national climate change adaptation strategy. Two relevant reports funded through Overseas Territories Environment Programme grants were completed by the Cayman Institute, in collaboration with Murray Simpson of Oxford University: "Sea level rise in the Cayman Islands" and "Cayman energy policy: background advisory document".

C. Tourism

28. Between January and September 2009, the tourism sector experienced declines in the number of stay-over and cruise ship tourists of approximately 13.1 per cent and 1.9 per cent respectively, as compared to the same period in 2008. The Islands continue to be adversely affected by the global financial crisis and, in particular, its impact on the United States market, where approximately 80 per cent of visitors to the Cayman Islands originate.

29. Approximately 1.4 million tourists visited the Cayman Islands between January and September 2009. Air arrivals fell by 13.1 per cent to 208,761 visitors, compared to the same period in 2008. Air arrivals at 31 December 2009 were projected at 263,841.

30. Approximately 1.1 million passengers visited the Cayman Islands by sea between January and September 2009. As September 2009, the number of tourists arriving by cruise ship had decreased by 1.9 per cent to approximately 1.14 million for the nine-month period. Group reservations, which primarily consist of business and group incentive travellers, also declined sharply during this period, owing in part to the impact of the 2008 global financial crisis in the United States.

31. The 2009 hurricane season was uneventful, and the Islands was not affected or threatened by any major storms.

32. In November 2009, the Government signed a memorandum of understanding with the Dart Enterprises Construction Company to design and build a cruise-berthing facility and cargo enhancement project. The new piers will allow mega cruise ships such as the *Oasis*, which has a capacity of 5,400 passengers, to dock in George Town.

33. In March 2009, the Cayman Islands Government formally tabled and launched the National Tourism Management Policy for the period 2009-2013.

34. The Government also launched the Cayman Islands Environmental Project for the Tourism Sector, a private-public partnership designed to improve the environmental performance of the attraction and accommodation sectors of the tourism industry. Four hotels and one attraction are involved in the pilot study, launched in February 2008. The compiling and submission of the Green Globe 21 benchmarking data for six of the properties will be completed in December 2009. The Department of Tourism is also assessing the feasibility of Green Globe destination certification for Little Cayman 2009.

35. The United States remained by far the largest market for the Cayman Islands. Visitors from the United States represented some 79.4 per cent of all visitor arrivals in the first quarter of 2009 and 80.9 per cent in the second quarter. Visitors from Canada and Europe also increased slightly in the second quarter, to 6.9 and 6.8 per cent respectively, compared to 6.7 and 6.6 per cent for the same period in 2008.

D. Financial services

36. The financial sector is one of the main pillars of the Cayman Islands economy, and the Islands remains among the top international financial centres in the world.

37. According to the Cayman Islands annual economic report for 2008 published in June 2009 by the territorial Government's Economic and Statistics Office, the Cayman Islands financial services sector exhibited the effects of the global economic crisis and all performance indicators weakened. Mutual funds and insurance continued to grow but at a lower pace compared to 2007. The insurance market was virtually stable, with the total number of insurance licence registrations rising by 1.1 per cent, from 793 in 2007 to 805 in 2008. The mutual funds industry slowed to single-digit growth of 4.9 per cent in 2008. Downturns were recorded in stock exchange listings (-9.7 per cent) and new company registration (-16.7 per cent), and banks and trusts continued to fall, by 1.1 per cent.

38. The October 2009 final report on the independent review of British offshore financial centres, commissioned by the Chancellor of the Exchequer in December 2008, recognized that, of the nine jurisdictions reviewed, the Cayman Islands demonstrated the highest level of compliance with the 16 "key and core" recommendations of the Financial Action Task Force on Money-Laundering. Similarly, in the third-round mutual evaluation report of the Cayman Islands by the Caribbean Financial Action Task Force, the Cayman Islands was noted as having a "strong compliance culture" with regard to combating financial crimes and terrorist finance. Further, the International Monetary Fund noted that there is "good evidence of a developed compliance culture" in the Cayman Islands and has deemed that the regulatory regime is generally in compliance with a broad range of international standards relating to banking (Basel Committee on Banking Supervision), insurance (International Association of Insurance Supervisors) and securities (International Organization of Securities Commissions). The Cayman Islands Monetary Authority was formally admitted as a full member of the International Organization of Securities Commissions in June 2009. In a similar vein, the July 2008 report of the United States Government Accountability Office noted that the Cayman Islands was the "most cooperative" among offshore jurisdictions. In August 2009, the Cayman Islands was added to the Organization for Economic Cooperation and Development (OECD) list of jurisdictions that have substantially implemented the internationally

agreed tax standards (the "white list"). In September 2009, the Cayman Islands was elected as a member of the OECD steering group at the Global Forum on Transparency and Exchange of Information for Tax Purposes.

E. Infrastructure, construction and transport

39. According to the Territory's third semi-annual economic report produced in June 2009, building permits amounted to CI$ 175.6 million, a decrease of 17 per cent from the previous year. The number of property transfers fell by 21 per cent and the total value decreased by over 43 per cent, a reflection of the global economic downturn.

40. The road network of the Cayman Islands, which has suffered extensive damage in recent years owing to the severe hurricane seasons, comprises approximately 785 kilometres of roadways. There has been considerable investment in the road networks to address this problem. A rolling four-year medium- to long-term national roads plan is in place.

41. International air services are provided between Grand Cayman and Canada, Cuba, Europe, Honduras, Jamaica and the United States, through more than 100 flights per week, while domestic airline services and charters operate between the three islands. In 2008, Cayman Airways launched direct flights to Washington, D.C., and Chicago to complement its other North American services, and in 2009, it introduced regular service to La Ceiba, Honduras.

42. The port of George Town is the main gateway for cruise ships carrying tourists to the Cayman Islands. The Islands is served by scheduled passenger liners and a number of locally owned or registered vessels that provide cargo services.

F. Telecommunications and utilities

43. As a leading international business centre, the Territory is dependent on telecommunications and utility services. According to the annual economic report for 2008, the total number of lines at the end of the year was 121,448, which represents a 7 per cent decrease, and 2.13 phone lines per resident. The consumption of utility services increased: water usage expanded by 0.9 per cent to 1,637.32 million gallons (from 1,622.30 million gallons in 2006/07), while electricity consumption increased by 12 per cent, to 510.64 million kilowatt-hours.

V. Social conditions

A. Human rights

44. The Territory is subject to several major human rights conventions to which the administering Power has acceded, including the European Convention on Human Rights. The Treaties and Conventions Unit within the Territory's Attorney General's Chambers oversees the extension of the international human rights instruments to the Cayman Islands.

45. The Cayman Islands Human Rights Committee has published a number of reports regarding individual human rights cases and provided advice to Government entities. During 2007/08, the focus of the Committee was on continuing the investigation of individual cases and human rights as part of the education syllabus. In 2009, the Committee devoted considerable time to debating the new Constitution and the Bill of Rights in particular.

46. The territorial Government continued to promote freedom of information in order to provide the public with access to official records. On 21 June 2007, the Freedom of Information Steering Committee was established and the Freedom of Information Law came into force on 1 January 2009. The Freedom of Information unit of the local government undertook a vigorous training campaign for government departments and statutory authorities. More information on the unit's work can be found at www.justice.gov.uk.

47. Also in early 2009, an independent Information Commissioner was appointed to monitor and enforce compliance with the Freedom of Information Law. Individuals who are denied access or who believe their request was mishandled may appeal to the Commissioner, who has the authority to review the matter, make all findings of fact and law and issue a binding decision. The Commissioner is also responsible for promoting general awareness of the Freedom of Information Law, the public's rights and the obligations of government under it. A team was also recruited to support the Commissioner and staff her office. Further information can be found at www.infocomm.ky.

48. In August 2008, stakeholders met in the Turks and Caicos Islands with the Caribbean human rights coordinator of a four-year project, carried out since 2007 by the Commonwealth Foundation, the Commonwealth Legal Education Association and the Commonwealth Human Rights Initiative. The project is funded by the United Kingdom Department for International Development and the Foreign and Commonwealth Office with a view to helping the overseas Territories of the United Kingdom conform to international standards concerning human rights obligations and to developing action plans. At the meeting, human rights capacity-building in the British Overseas Territories of the Caribbean, Pacific and South Atlantic project was discussed.

49. In July 2009, the Commonwealth Foundation's human rights capacity-building project was initiated in the Cayman Islands. The overall goal is to strengthen the understanding and observance of the individual rights contained in the International Covenant on Civil and Political Rights, the European Convention on Human Rights and the Convention on the Elimination of All Forms of Discrimination against Women in the above-mentioned Territories. To date, the Caribbean project coordinator has met with a number of stakeholders in the Islands, including representatives of several Government ministries and departments, the Human Rights Committee, the Governor's Office and various non-governmental organizations, to obtain their feedback on the preliminary report, which sets out the laws protecting human rights in the British Overseas Territories of the Caribbean, Pacific and South Atlantic. It is anticipated that, in early 2010, a round-table meeting will be convened with the relevant stakeholders and the local project contact, namely, the Office of the Attorney General, to finalize action plans for future project activities.

50. In September 2008, in response to questions from the *Caymanian Compass*, the Cayman Islands Human Rights Committee reiterated its position that it did not advocate the "horizontal" application of human rights in the constitutional modernization process, but that it was an issue the Cayman Islands should address. A horizontal application would mean that an individual could seek enforcement of human rights provisions against individuals or private entities, whereas with a vertical application, an individual could only seek enforcement of human rights provisions against the Government. On 6 October 2008, the Committee issued a press release stating that the working draft bill of rights had broad consensus with the non-governmental organizations involved in the process, even if there was not total agreement.

51. With the adoption of the new Constitution on 6 November 2009, the Cayman Islands has its first enshrined Bill of Rights, Freedoms and Responsibilities ("Bill of Rights"), the provisions of which may now be directly enforced by the local courts. However, the Bill of Rights will not enter into force until three years after the appointed day.

52. The Constitution also provides for the appointment of a Human Rights Commission, which is intended to replace the Human Rights Committee. However, apart from the direct reference to the Bill of Rights, the functions and responsibilities of the Commission are quite similar to those presently undertaken by the Committee, such as receiving and investigating complaints of breaches or infringement of any right or freedom contained in any human rights treaty in force in the Islands. The Commission is also empowered to issue independent reports relating to human rights and to promote the understanding and awareness of human rights. However, as with the Human Rights Committee, the Commission does not have the authority to represent or provide representation to parties to litigation in which human rights issues may arise nor can it act in a judicial capacity or make binding determinations upon any matter.

B. Labour and immigration

53. The Territory's continued dependence on foreign labour is evident from the following statistics from the Cayman Islands Compendium of Statistics 2008 compiled by the Economic and Statistics Office. In 2008, the population of the Islands was 57,009, 56 per cent of which was Caymanian. A total of 26,121 work permits were in effect in 2008; the number dropped to 24,000 in November 2009, owing to the global economic downturn and the fact that a considerable number of previous work permit holders had become permanent residents under the system outlined in the next paragraph.

54. In January 2004, a new approach to managing migration was implemented. A graduated system of rights now limits foreign workers (other than Government employees for the present time) to have work permits for a period of seven years. Workers with particular skills that are in demand in the Islands may be designated as "key employees" and granted work permits for a further two years. During this additional period, they would become eligible to apply for permanent residence at year eight. This approach seeks to create a population that is able to meet the future needs of the Territory — a population that is skilled, socially diverse and able to sustain economic stability and growth. Workers who are not selected as key

employees must leave the Islands after their seventh year, but may return and work again after an absence of one year. Persons who obtain permanent residence will become eligible for naturalization as a British Overseas Territories citizen after one year, after which they may apply for the status of a native-born resident ("belongership").

55. As a result of the global economic crisis and its effect on tourism and financial services (the two major pillars of the Islands' economy), the Cayman Government is in the process of implementing new incentives to encourage financial services sector companies to maintain a business presence in the Islands and to attract new businesses and investment. These incentives include special provisions on immigration requirements and fast-tracking work permit applications.

C. Education and cultural affairs

56. Education is compulsory for all resident children between 4 years and 9 months, and 16 years of age. The public education system caters to about two thirds of Caymanian children, with the remainder attending fee-paying schools. Tuition is free for Caymanians at the public primary and high schools. In addition, private schools provide primary and/or secondary education. All private schools are monitored by the territorial Government.

57. Two public and two private institutions provide tertiary education. The University College of the Cayman Islands, until 2004 known as the Community College, is owned by the territorial Government and is administered independently. The University College has seen a large increase in its number of students and also houses the new Civil Service College, which opened in September 2007. The Cayman Islands Law School, affiliated with the University of Liverpool in the United Kingdom, is also Government-owned, whereas the International College of the Cayman Islands and the St. Matthew's University are private.

58. In January 2008, an extensive review of the Cayman Islands national curriculum for schools was completed following wide-ranging consultations. This is the second of the Government's 10 strategies for reform, as outlined in the document entitled "National consensus on the future of education". In the 2009 Throne speech, the Governor stated that a key objective for the coming year was the advancement of a national reform agenda. Strategic elements included maximizing the potential of the new secondary schools as community and learning resources and enhancing technical and vocational education and training.

59. In 2008, six Cayman Island schools applied for candidate status within the International Baccalaureate initiative, making them the first State schools in the Caribbean to do so. A range of new and exciting examination options were offered to students in secondary schools, and innovative ways of introducing extended learning opportunities for post-16 students are planned for the George Hicks campus. As part of the overall national curriculum process, teachers and parents were provided with training and guidance on the use of levels within the national curriculum to measure and track student progress.

60. In the territorial Government's annual budget statement, delivered in the Legislative Assembly on 30 April 2008, the Leader of Government Business indicated that challenges facing the Government's capital funding programme had

necessitated the extension of the originally anticipated lead times of the three secondary campus construction projects. The planned construction of the Beulah Smith Campus for secondary students in West Bay and of a new primary school in George Town was subsequently put on hold. Work has nevertheless commenced on the secondary school campuses in George Town and the Eastern Districts and funding for the projects has been identified.

61. Disputes between the Territorial Government and the school contractors over payments appear to have been resolved and the new schools should be completed in 2010.

62. The Government continued to support the work of the Cayman National Cultural Foundation, the National Gallery of the Cayman Islands and the National Museum, which reopened after lengthy renovations.

D. Public health

63. The Health Services Authority is responsible for the provision of all public health care. In addition to general medical care, a wide range of specialist services is available locally. The Health Practice Councils are responsible for the registration of all health practitioners. There is one 124-bed Government-run hospital, which includes a state-of-the-art, fully staffed accident and emergency room, as well as a private 18-bed hospital, both in George Town. There is also an 18-bed Government-run hospital on Cayman Brac and there are several district health centres and clinics throughout the Territory. Health insurance is compulsory in the Cayman Islands.

64. The Territory's health-care system faces particular pricing challenges such as the cost of air ambulance services. Accordingly, the economic and financial viability of health services is a continuing concern. The strategic plan for 2009/10, which can be viewed at www.hsa.ky, recognizes the continued need to improve the revenues of the health sector.

65. In response to the influenza A (H1N1) global pandemic, the local health authorities embarked on a vigorous communication campaign. This consisted of public information campaigns on the symptoms of the virus and how to best avoid catching and spreading the flu. Schools in particular were targeted. The national flu pandemic plan has been updated and widely circulated and is available at www.hsa.ky. Stocks of the H1N1 vaccine were expected from the United Kingdom Department of Health in December 2009. A total of 112 cases have been confirmed since the first case, in June 2009.

66. On the occasion of World AIDS Day, 1 December 2009, the Minister of Health issued a statement calling for people to join together and challenge stereotypes and divisive beliefs through fostering a caring and protective environment for all. A candlelight vigil in memory of Cayman's AIDS victims was held at the Emshie Memorial Church. According to a Freedom of Information release from the Health Services Authority, there were 14 people living with AIDS in the Cayman Islands as at 31 December 2008. Thirty deaths have been attributed to the virus.

67. Recognizing the ill effects of tobacco, the Tobacco Law was passed in October 2008 and all public places were smoke-free effective 31 December 2009.

68. On average, 90 per cent of target children are immunized every year and the Pan American Health Organization has recognized the Public Health Department's efforts to eradicate vaccine-preventable diseases in the Cayman Islands by presenting it with the 2009 Surveillance Award. This is the second time the Islands has won the award, the first time being in 1999.

E. Crime and public safety

69. The Royal Cayman Islands Police Service is headed by a Commissioner, who reports directly to the Governor. This distinction from the legislature and the judiciary ensures the independence of law enforcement and contributes to good governance.

70. A Police Service report dated November 2009 showed a year-on-year increase of 9 per cent in the total number of crimes. This equates to 205 actual crimes. Serious crime also increased by 14 per cent, compared to 2008. A recent spate of gun crime related to drug usage has caused local concern and has led to an increase in the presence of armed officers on patrol. The Police Service nevertheless remains a predominantly unarmed service.

71. In 2009, the Police Service took delivery of two additional interceptor vessels, bringing the total number of boats in the marine unit to four. Construction has begun on a state-of-the-art marine base that will house police, immigration and customs officers. The delivery of a police helicopter is expected in early 2010.

72. The Bill of Rights places greater obligation on the Police Service to treat persons and detainees in particular with dignity and respect. To that end, the Police Service is reviewing its current estate and custody facilities to ensure greater compliance; it will also strengthen accountability by videotaping and audiotaping suspect interviews.

73. The Cayman Islands Monetary Authority is the body responsible for monitoring compliance with international financial standards in the Territory and reporting findings to the territorial Government on a regular basis.

F. Disaster preparedness

74. In 2004, Hurricane Ivan changed the way Cayman Government agencies prepare for natural disasters. In January 2007, the Government launched a new agency, Hazard Management Cayman Islands, to help residents prepare for and recover from a variety of disasters. The effectiveness of those efforts was apparent during Hurricane Dean in August 2007. Moreover, the Meteorological Office, the Lands and Survey Department and the National Hurricane Committee began to use a new storm surge model called the Arbiter of Storm. Hazard Management Cayman Islands is using WebEOC software for crisis information management. An annual hurricane exercise is conducted prior to the start of the hurricane season, which runs from 1 June to 30 November. A maritime security exercise was carried out in October 2007 and again in June 2009 to test Cayman's response to non-natural disasters. The Cayman Islands has a robust hurricane plan and a variety of other plans to deal with various disasters. A new National Emergency Operations Centre

with state-of-the-art facilities has been designed that would provide state-of-the-art facilities to better manage disasters.

75. Following Hurricane Paloma, a category 4 hurricane that damaged up to 90 to 95 per cent of homes and buildings in November 2008, residents of the damaged islands received financial relief from the private sector, which joined forces with the Government to provide monetary help. The recovery has been remarkable in that the electricity and telecommunication infrastructure has been replaced and other infrastructure facilities have recovered 100 per cent. The damage to the housing sector has seen a similar recovery with the rebuilding of the housing stock to 90-95 per cent pre Paloma levels.

VI. Relations with international organizations and partners

76. As a result of a request by the Government of the United Kingdom, the Economic Commission for Latin America and the Caribbean, by its resolution 640 (XXXII), decided to admit the Cayman Islands as an associate member of the Commission.

77. The Cayman Islands is an associate member of the United Nations Educational, Scientific and Cultural Organization and a member of the Universal Postal Union. The Territory is an associate member of the Caribbean Community and a member of the Caribbean Development Bank and the International Olympic Committee.

78. As a Non-Self-Governing Territory of the United Kingdom, the Cayman Islands is associated with, but not a part of, the European Union. As a member of the Caribbean Forum of African, Caribbean and Pacific States, the Cayman Islands agreed in December 2007 with the European Union on an economic partnership agreement.

VII. Future status of the Territory

A. Position of the territorial Government

79. The Territory's new Constitution is set out in detail in section II above.

B. Position of the administering Power

80. Information provided by the United Kingdom for inclusion in the report of the Secretary-General entitled "Implementation of decolonization resolutions adopted since the declaration of the First and Second International Decades for the Eradication of Colonialism" (A/64/70), stated, inter alia, that the United Kingdom's policy towards the Overseas Territories rested on the basis that it is the people of each Territory who determine whether they wish to stay linked to the United Kingdom or not and that the United Kingdom had no intention of imposing independence against the will of the people concerned. The statement also referred to the suggestion by some commentators that the United Kingdom should agree to allow Territories the three status options set out in General Assembly resolution 1541 (XV) for removing Territories from the United Nations list of Non-Self-

Governing Territories, namely, integration, independence or free association. According to the United Kingdom, its policy was not to agree to integration; nor was there any indication that any of the Territories were seeking that option. Its position on independence had already been set out. The concept of free association, as defined by the General Assembly, would mean that the Territory itself would draw up its Constitution free from the involvement of the United Kingdom, which would nonetheless retain all responsibility for the Territory without the powers necessary to meet its responsibilities for the Territories. That was not a position the United Kingdom was willing to put itself in.

81. The United Kingdom further pointed out that General Assembly resolution 1541 (XV) was not legally binding and that it had not voted in favour of the resolution. It considered the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples and the list of Non-Self-Governing Territories outdated and remained of the view that none of its Overseas Territories should remain on the list.

82. As reflected in a statement made on 5 October 2009 to the Special Political and Decolonization Committee (Fourth Committee) of the General Assembly (see A/C.4/64/SR.2), the representative of the United Kingdom said, inter alia, that where the people of any of its Overseas Territories clearly and constitutionally opted for independence, the United Kingdom would help them achieve it. Where instead a Territory wished to retain links, the United Kingdom would safeguard that Territory's future development and continued security and would hold regular annual political consultations with it. Meanwhile, the respective territorial constitutions governed the relationship between the United Kingdom and its Overseas Territories and were regularly updated, following careful consideration of all proposals for constitutional change received from the Territories. A number of such new constitutions had come into force since 2006.

83. The United Kingdom stated that maintaining high standards of probity and governance was a cornerstone of British administration of the Territories. The United Kingdom Government was committed to allowing each Territory to run its own affairs responsibly as far as possible, but when developments in a Territory gave cause for concern or a Territory failed to fulfil international obligations, the United Kingdom would not hesitate to raise the matter with the territorial Government and intervene where necessary.

84. Further, the British Government continued to encourage all its Overseas Territories to meet internationally recognized Group of 20 standards to ensure sound financial regulation, resilient public finances and responsible debt management.

C. Action taken by the General Assembly

85. On 10 December 2009, the General Assembly adopted, without a vote, resolutions 64/104 A and B, based on the report of the Special Committee transmitted to the General Assembly (A/64/23) and its subsequent consideration by the Fourth Committee. Section V of resolution 64/104 B concerns the Cayman Islands, the operative paragraphs of which read:

"*The General Assembly*,

...

"1. *Welcomes* the finalization of a new draft constitution in February 2009 and its subsequent acceptance by referendum in May 2009;

"2. *Requests* the administering Power to assist the Territory by facilitating its work concerning public awareness outreach efforts, consistent with Article 73 *b* of the Charter of the United Nations and, in that regard, calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

"3. *Welcomes* the efforts made by the territorial Government to address cost-of-living issues in various economic sectors."